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August 18, 2008

#### **AGENDA ITEM 4**

**TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE**

**I. SUBJECT:** 2008-2009 Performance Plans for the Senior Portfolio Managers and Portfolio Managers (Second Reading)

**II. PROGRAM:** Administration

**III. RECOMMENDATION:** Approve the Second Reading of the 2008-2009 Performance Plans for the Senior Portfolio Managers and Portfolio Managers

**IV. ANALYSIS:**

The Board of Administration's Compensation Policies and Procedures include a schedule for approving performance plans for the coming fiscal year. A first reading of the 2008-09 plans for Senior Portfolio Managers and Portfolio Managers was presented to the Performance and Compensation Committee in June. The performance plans are presented with this agenda item for second reading.

Since the first reading, specific language for the qualitative leadership performance measure has been included in all plans. In addition, the qualitative AIM Priorities performance measure in the plans of one Senior Portfolio Manager, Alternative Investments and three Portfolio Managers, Alternative Investments has been revised.

The Board's investment consultant has reviewed all quantitative performance measures in the plans of the investment management positions, as provided in the Policies and Procedures. There have been no substantive changes to the quantitative measures since the first reading in June.

**V. STRATEGIC PLAN:**

Under Goal II of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. Under Goal IV, the organization is dedicated to effectively utilizing its resources, including a diverse, creative, motivated, high

performance workforce. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

**VI. RESULTS/COSTS:**

The establishment of performance plans is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

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Chris O'Brien, Chief  
Human Resources Division

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Gloria Moore Andrews  
Deputy Executive Officer – Operations

Attachments

**2008-2009 Performance Plans for the  
Senior Portfolio Managers and Portfolio Managers**

Performance plans for the 2008-2009 Fiscal Year for the Senior Portfolio Manager and Portfolio Manager positions are presented for second reading on the following pages, in the order listed below.

<b><u>Position</u></b>	<b><u>Current Incumbent</u></b>
Senior Portfolio Manager, Alternative Investments	Joncarlo Mark
Senior Portfolio Manager, Asset Allocation / Risk Management	Rick Roth
Senior Portfolio Manager, Corporate Governance	Position vacant*
Senior Portfolio Manager, Emerging Managers & Environmental Programs	Mary Cottrill
Senior Portfolio Manager, Fixed Income	Warren Trepeta
Senior Portfolio Manager, Fixed Income	Kevin Winter
Senior Portfolio Manager, Fixed Income / Structure	Arnie Phillips
Senior Portfolio Manager, Global Equities	Kurt Silberstein
Senior Portfolio Manager, Real Estate	Al Fernandez
Senior Portfolio Manager, Real Estate	Randy Pottle
Portfolio Manager, Active Equity	Chris Doffing
Portfolio Manager, Alternative Investments	Sarah Corr
Portfolio Manager, Alternative Investments	Michael Dutton
Portfolio Manager, Alternative Investments	John Greenwood
Portfolio Manager, Asset Allocation / Risk Management	John Kowalik
Portfolio Manager, Asset Allocation / Risk Management	Ray Venner
Portfolio Manager, Corporate Governance	Bill McGrew
Portfolio Manager, Corporate Governance	Michael Riffle

\* A performance plan for this position will be presented to the Committee when the position is filled.

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<b>Position</b>	<b>Current Incumbent</b>
Portfolio Manager, Currency and International Fixed Income	Eric Busay
Portfolio Manager, Domestic Research	Lou Zahorak
Portfolio Manager, External Equity	Derek Hayamizu
Portfolio Manager, Fixed Income	Michael Claybar
Portfolio Manager, Fixed Income	Todd Smith
Portfolio Manager, Global Equity	Craig Dandurand
Portfolio Manager, International Equity Strategies	Dan Bienvenue
Portfolio Manager, Opportunistic Fixed Income	Dan Kiefer
Portfolio Manager, Passive Equity	Carl Guidi
Portfolio Manager, Quantitative Strategies	Ho Ho
Portfolio Manager, Real Estate	Judy Alexander
Portfolio Manager, Real Estate	Jane Delfendahl
Portfolio Manager, Real Estate	Robert Eberhardt
Portfolio Manager, Real Estate	James Hurley
Portfolio Manager, Real Estate	Robert Langhi
Portfolio Manager, Real Estate	Paul Mouchakkaa
Portfolio Manager, Real Estate	Laurie Weir
Portfolio Manager, Short Duration Fixed Income	Jean Hsu
Portfolio Manager, US Government Securities	Rob Grady